

Price Monitoring Bulletin

WFP Philippines | August 2022

Snapshot



Food and non
alcoholic beverages

inflation 6.3%

(PSA, August 2022)



**Headline inflation
6.3%**



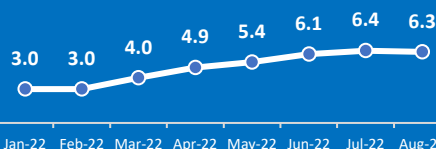
**Avg Cost of
Food Basket
6,938 PHP**



Fuel Prices up
10% Gasoline
62% Diesel
65% Kerosene

(DOE, as of 30 August 2022)

**Headline Inflation Rate,
Philippines (Jan-Aug 2022)**



Key highlights

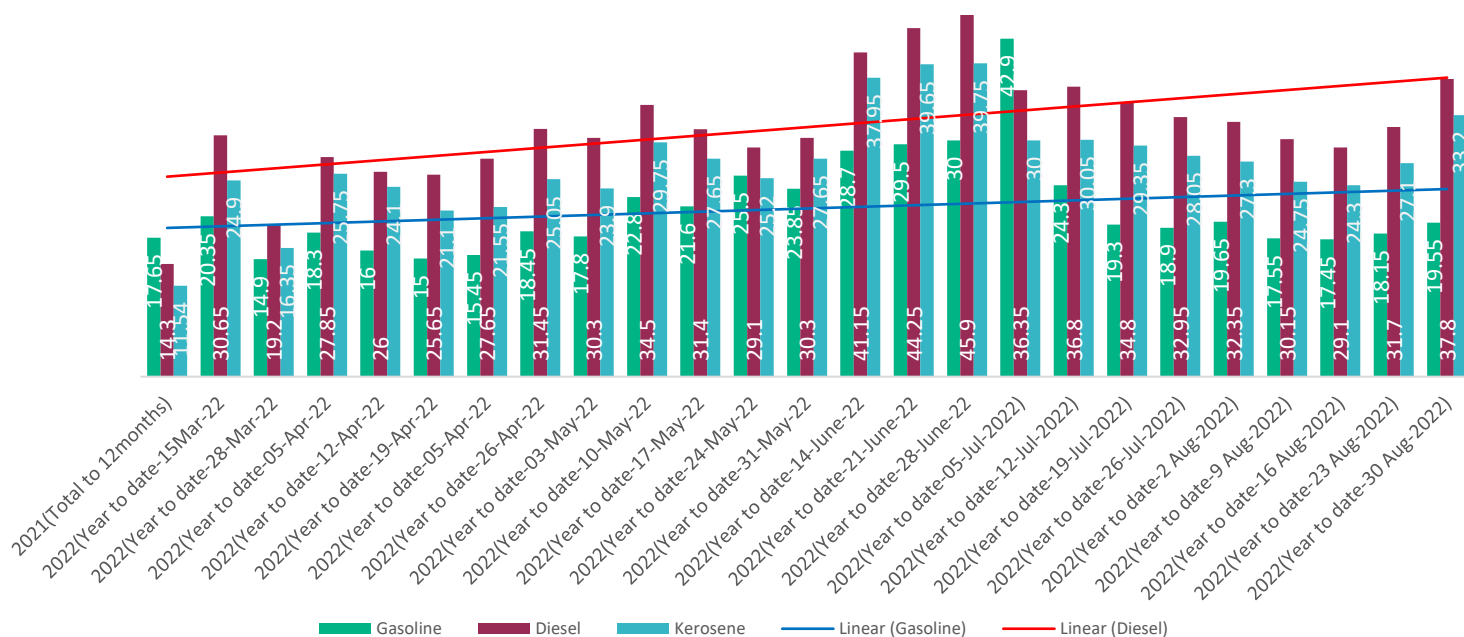
- **Headline inflation¹** in August 2022 slightly declined to 6.3% from 6.4% in July, but **remains 52% higher** than January 2022 rate (PSA, August 2022).
- **Prices of fuel continue to register net increases** based on year-to-date data. As of August 30, 2022, a liter of gasoline, diesel and kerosene increased by 10%, 62%, and 65% respectively, since the start of the year (Department of Energy).
- The monthly average **price of a 50-kg sack of fertilizer** in the country **increased** by a half percent from July to August 2022 (Department of Agriculture, August 2022). The current average retail price registered a 21% net increase compared with the average price at the start of the year.
- **Mixed retail prices** were observed in the **National Capital Region (NCR)** markets for most commodities, with the price of brown sugar, fresh eggs, dressed chicken, cooking oil, fresh fish, onions, garlic, carrots, mango, calamansi, and papaya increasing in August 2022.
- **The cost of a typical food basket** saw varying trends in August 2022. It increased by 0.3% in Bohol while it decreased by 1.6% on Southern Leyte and Caraga regions compared to the previous month. However, it is significantly higher than February 2022 costs, putting a strain on household purchasing power.
- Market characteristics: All traders (100%) interviewed reported that the average price of key commodities sold in August 2022 remained the same compared to July 2022. However, 50% of the traders reported that **customers continued buying less goods than usual** and 25% mentioned that customers bought **cheaper or less preferred goods** in response to the surge in prices of goods since the beginning of the year.
- The Social Weather Survey (SWS) reported that **hunger eased from 12.2% to 11.6%** during the second quarter 2022.
- **Climate changes**, including tropical cyclone activity and heavy rainfalls, may aggravate the pre-existing financial and macro-economic vulnerabilities.

¹ PSA defines headline inflation as a measure of the changes in the cost of living based on movements in the prices of a specified basket of major commodities. It refers to the annual rate of change or the year-on-year change in the Consumer Price Index (CPI).

National Price Trends

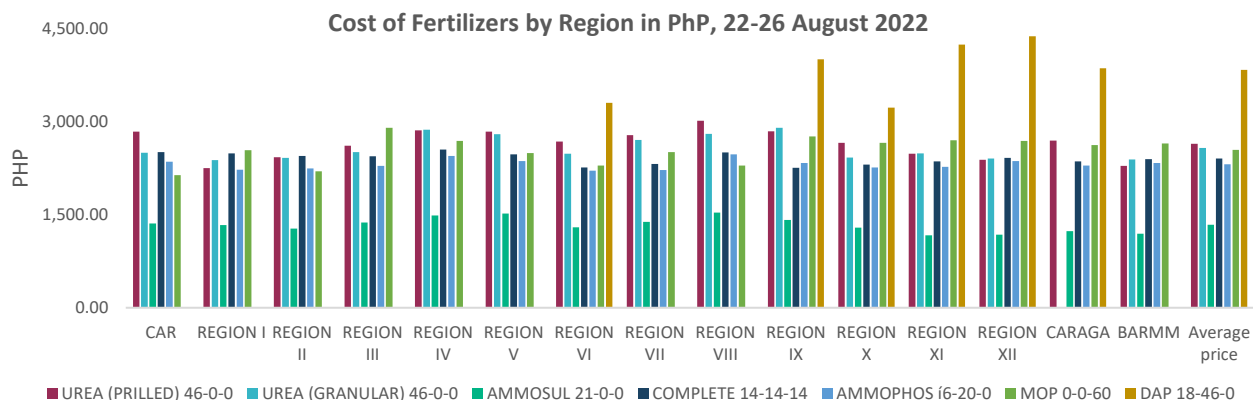
- A series of price cuts on prices of gasoline and other fuels were implemented by oil companies in the month of August. However, when compared with prices at the start of the year, the **average retail prices of fuel continue to register net increases**. Based on year-to-date data from the Department of Energy, a liter of gasoline has increased by 10%, a liter of diesel by 62%, and a liter of kerosene by 65% since the start of the year until the end of August (DOE, 30 August 2022).

Net Increases in key domestic oil products in Philippines (Department of Energy Data)



- The Manila Electric Company (Meralco) **lowered the cost of electricity** in August to PHP9.5459 per kilowatt hour. This rate was 20.87 centavos cheaper than the cost (PHP9.7545) per kilowatt hour in July. This was the second straight month that MERALCO reduced its electricity charges.
- The **retail price of sugar jumped to more PHP100 per kilo** as shortage in the supply was reported. The hike in price and tight supply resulted in increases in prices of bread, processed food, and beverages and affected both big companies and local eateries. As a matter of fact, one soft drink company had to suspend the operation of some of its plants due to shortage of sugar.
- Aside from sugar, the **supply of onion and garlic was reported to be low**. This led to increases in the retail prices of a kilo of both onion and garlic.
- The lower than targeted **sugar production in the country was affected by the high cost of fertilizers** due to the various global crisis such as the war in Ukraine and the disruption of international supply chain due to the persistent impact of the COVID-19.
- The **price of fertilizers continues to fluctuate** on a weekly basis in August 2022, based on the data from DA¹. However, the monthly average price trend recorded an increase of about 0.5% for the period July - August 2022.

¹ [Year 2022 \(da.gov.ph\)](https://da.gov.ph)



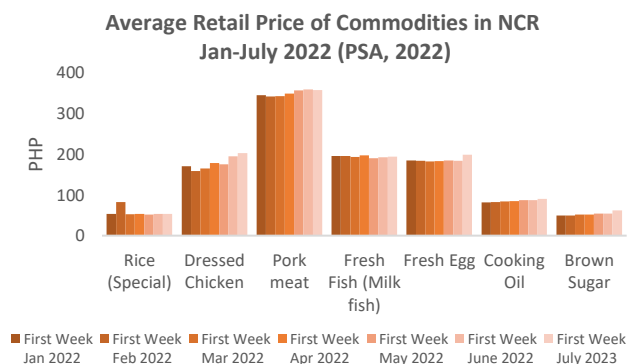
National Policy Environment

In response to the situation in the country in August 2022, the government has initiated and continued the implementation of various programs:

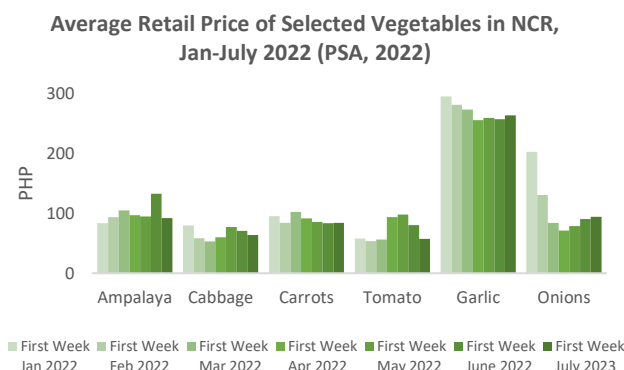
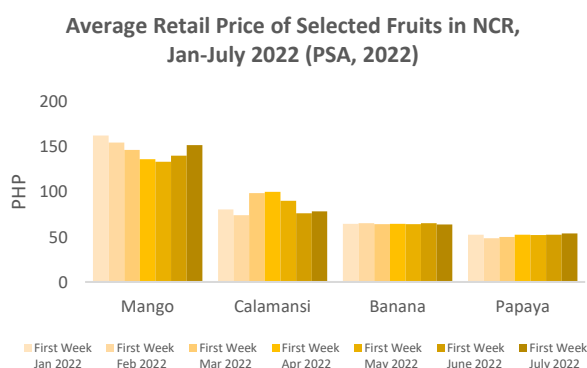
- Through the **National Rice Program** launched in 2011 and continued by the Duterte and current administrations, the Department of Agriculture (DA) has distributed **PHP5.32M-worth of hybrid seeds and PHP1.11M-worth of certified seeds** to eligible farmer-beneficiaries who cultivate approximately 582,780 ha of farmland. The DA has also supported rice farmers through the **Fertilizer Discount Voucher** program - initiated in 2021 and continued by the current administration in response to the impact of the COVID-19 pandemic and global crisis due to the Ukraine War. The vouchers have a value of P1,131 for every hectare planted with inbred, and P2,262 for every hectare planted with hybrid rice.
- Fuel Discount for Farmers and Fisherfolk Program** - The funding which was appropriated in July 2022 has started to be distributed to target beneficiaries in August 2022. On the first week, a total of **126,388 fuel discount accounts** have been generated. Through this program, corn farmers and fisherfolks are eligible to a PHP3,000 conditional subsidy to purchase diesel or gasoline. The remaining 32,342 accounts (20.37%) were scheduled for distribution at the end of August.
- DSWD Educational Assistance** - To complement the assistance being provided by other government agencies to vulnerable households, the Department of Social Welfare and Development (DSWC) launched its annual educational assistance program **worth PHP1.5 billion** in August 2022. The program was initiated in time for the enrolment period for the opening of 2022 classes. The educational assistance provides PHP1,000 for elementary students, PHP2,000 for high school students, PHP3,000 for senior high school students, and PHP4,000 for vocational or college students. The target beneficiaries of the program are students in public schools, vocational schools and state colleges and universities, working students, or children of families who have been displaced, relocated, or repatriated from overseas work.

Price Trends in the National Capital Region (NCR)

- The **average retail prices of some key commodities in NCR continued to increase** from May to June 2022. Average retail prices of brown sugar jumped by 14.3%; fresh egg by 8%; dressed chicken grew 4.1%; cooking oil by 3.7%, and fresh fish, 0.8%. On the other hand, the average retail prices of rice dropped by 0.2% and pork meat by 0.5%.



- The average retail prices of ampalaya decreased by 31%; tomato by 29%, and cabbage by 10%. On the other hand, the prices of onions grew by 5%; garlic by 2%, and carrots by 1%.
- The **average retail prices of some fruits also increased**. The retail prices of mango grew by 8.3%; calamansi by 2.6%, and papaya by 2.4%. On the other hand, the retail price of banana decreased by 2.2%.



Key Issues to Watch

1

The average **value of the Philippine peso against the US dollar slightly appreciated** to PHP55.89 from PHP56.00 in August 2022. The easing up in the cost of petroleum at the global level and the start of greater inflow of dollars from the remittances of overseas Filipino workers contributed to the improvement in the value of the local currency.

Average Monthly Value of Philippine Peso to US Dollar, Jan - Aug 2022



2

The reported **shortages of supply of key commodities** like sugar, garlic, onion, and salt are causing the prices of other food items (i.e., bread, process food, fast food, and beverages) to rise. In the case of sugar, the country's Sugar Regulatory Administration (SRA) initially reported a need to import 300,000 metric tons (MT) of sugar as the local sugar industry was not able to produce enough to meet local consumers' demand. The production was adversely affected by the high and increasing cost of fertilizer, weed killers and insecticides this year, and by Typhoons Odette and Agaton in 2021 (Torres, 19 August 2022).

3

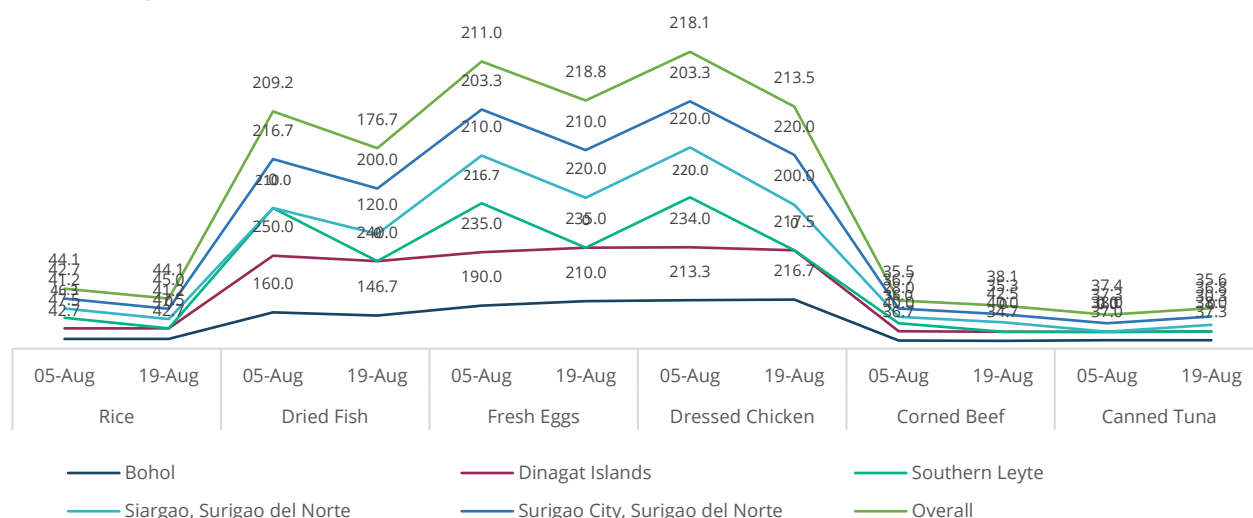
Since August 4, 2022, **heavy rainfall** has been affecting most of the Philippines (in particular Southern Luzon, Central Visayas, and Northern Mindanao), triggering landslides and causing floods that have resulted in evacuations and damage. In the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM), heavy rain caused flash floods affecting 484,375 people, and over 1,100 hectares of agricultural land were damaged in low-lying areas as of 14 August 2022 (OCHA, 26 August 2022). Based on the climate seasonal forecast, **tropical cyclone activity** is expected between 7-20 September in the Philippines (PAGASA, 30 August 2022).

Commodity Price Trends

This section features the price data collected by WFP weekly in the four provinces where it is currently implementing early recovery activities in response to the impact of Super Typhoon Odette (Rai) which hit the country in December 2021.

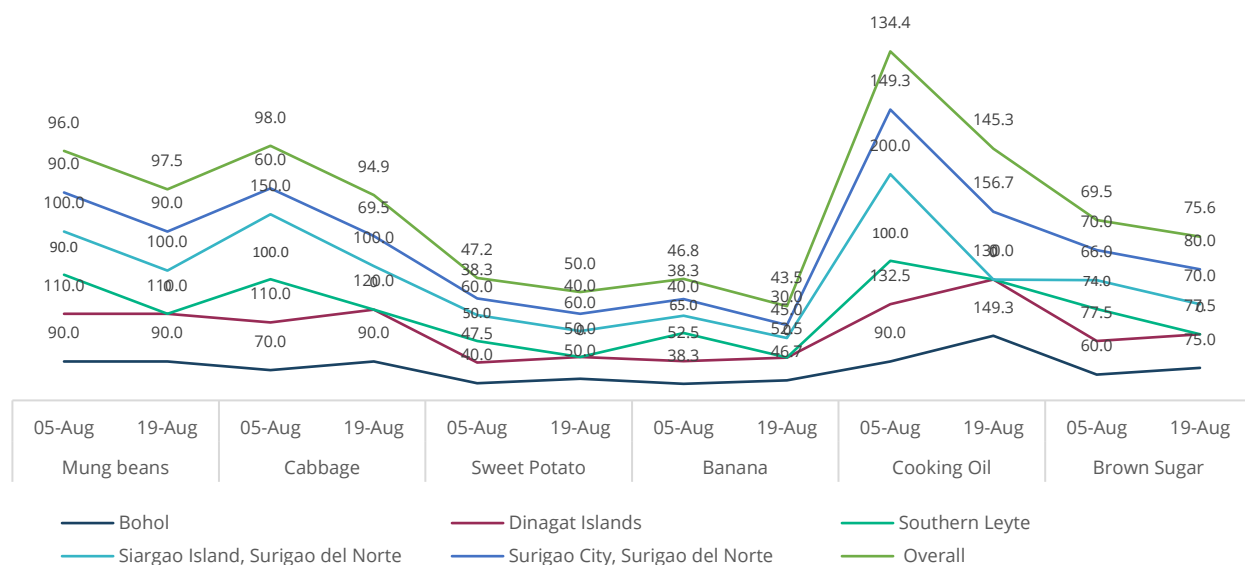
Price Trends of Rice and Protein-rich food

The average retail **prices of rice did not change in August 2022** in the areas covered by the assessment, while the average **retail prices of protein-rich food decreased** by 7.7% for dried fish; 4.9% for canned tuna; 2.1% for dressed chicken, and 1.4% for fresh eggs. Conversely, corned beef average retail prices increased by 7.5%.



Price Trends of Vegetables, Banana, Cooking Oil and Brown Sugar

The retail prices of selected vegetables, fruits, cooking oil and brown sugar exhibited a **fluctuating trend**. Some food items recorded increases in prices such as brown sugar which rose by 8.8%; cooking oil rose by 8.2%, sweet potato by 6%, and mung beans by 1.6%. On the other hand, the retail prices of banana and cabbage dropped by 7% and 3.2%, respectively.



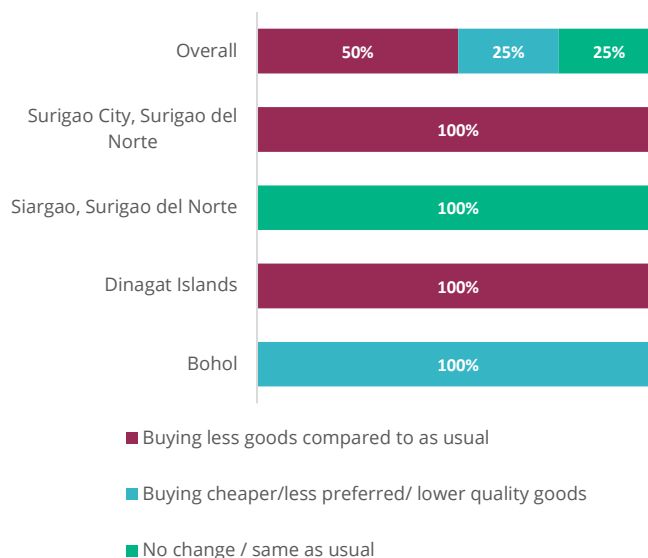
Market Characteristics based on Trader's Interviews

Commodities price trends

Traders interviewed in all four areas were unanimous in reporting that the **prices of key commodities sold in August remained the same**.

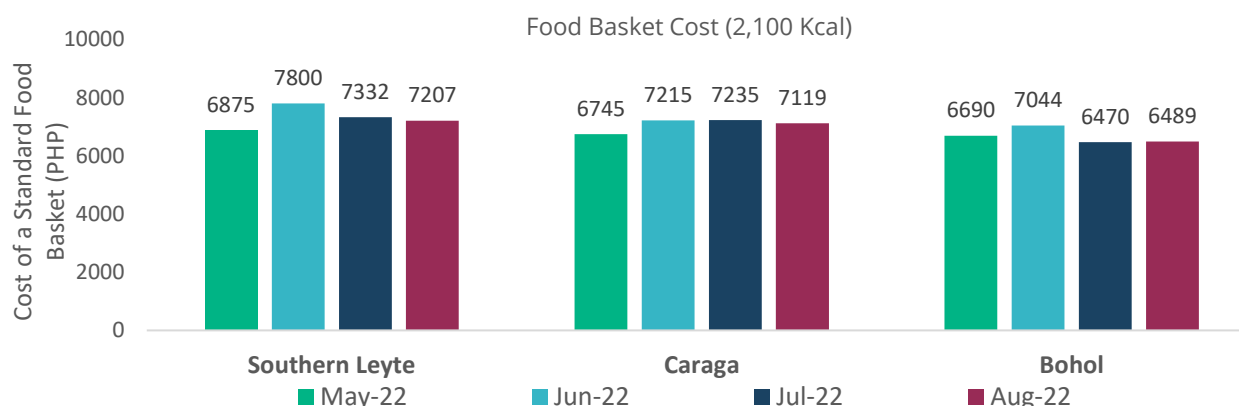
Customers buying habits

Fifty percent of the traders reported that customers started buying less goods than usual and 25% mentioned that customers bought cheaper or less preferred goods to cope with the surge in prices since the beginning of the year. Another 25% of the traders said there was no change in the buying habits of the customers.



Regional Food Basket

In August 2022, the cost of a typical food basket saw varying trends across monitored regions. The average cost increased by 0.3% in Bohol while it decreased by 1.6% on Southern Leyte and Caraga regions compared to the previous month. However, **when compared to February 2022, the cost of the food basket increased by 30% in Southern Leyte and Caraga regions.**



Methodology and Coverage

To monitor the impact of COVID-19, global conflict, and natural hazards, WFP collects bi-monthly price data of basic food and non-food commodities in the main public markets in the capital city or town of the provinces of Bohol, Dinagat Islands, Southern Leyte, and Surigao del Norte (composed of Siargao Island and Surigao City). Using a structured price monitoring checklist and a trader's questionnaire, five (5) traders at the minimum per market are surveyed every Friday of the first and third week of each month. Data are collected through face-to-face interviews or mobile call with retailers using MODA application.

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Photo by Mary Ruth Llobrera/WFP

Special thanks to Food Security and Agriculture Cluster (FSAC) and FAO for their contributions to the design of the assessment tools and for monitoring the prices of fertilizers.

Annex 1: Retail market price (median) of main commodities in the four Provinces of Bohol, Dinagat Islands, Southern Leyte, and Surigao del Norte where WFP is currently implementing an Emergency Operation (EMOP) in response to the impact of Typhoon Odette.

| Province | Commodity | Average Price | | Weekly Price Change | | Monthly Price Change July-August | |
|-----------------------------------|-----------------|---------------|--------|---------------------|--------|----------------------------------|--------|
| | | 05-Aug | 19-Aug | | | | |
| Bohol | Rice | 42.7 | 42.7 | ◀ | 0.0% | ▼ | -6.8% |
| Dinagat Islands | | 47.5 | 47.5 | ◀ | 0.0% | ▲ | 0.8% |
| Southern Leyte | | 46.3 | | | | ▲ | 0.7% |
| Siargao Island, Surigao del Norte | | 41.2 | 41.2 | ◀ | 0.0% | ▼ | -4.5% |
| Surigao City, Surigao del Norte | | 42.7 | 45.0 | ▲ | 5.5% | ▲ | 7.6% |
| Overall | | 44.1 | 44.1 | ◀ | 0.0% | ▼ | -2.3% |
| Bohol | Dressed Chicken | 213.3 | 216.7 | ▲ | 1.6% | ▲ | 4.0% |
| Dinagat Islands | | 234.0 | 217.5 | ▼ | -7.1% | ▼ | -4.9% |
| Southern Leyte | | 220.0 | | | | ▼ | -2.6% |
| Siargao Island, Surigao del Norte | | 220.0 | 200.0 | ▼ | -9.1% | ▼ | -6.3% |
| Surigao City, Surigao del Norte | | 203.3 | 220.0 | ▲ | 8.2% | ▼ | -1.6% |
| Overall | | 218.1 | 213.5 | ▼ | -2.1% | ▼ | -3.0% |
| Bohol | Fresh Fish | 180.0 | 180.0 | ◀ | 0.0% | ▼ | -2.5% |
| Dinagat Islands | | 230.0 | 220.0 | ▼ | -4.3% | ▲ | 5.1% |
| Southern Leyte | | 210.0 | | | | ▼ | -3.4% |
| Siargao Island, Surigao del Norte | | 220.0 | 220.0 | ◀ | 0.0% | ▼ | -1.1% |
| Surigao City, Surigao del Norte | | 200.0 | 200.0 | ◀ | 0.0% | ◀ | 0.0% |
| Overall | | 208.0 | 205.0 | ▼ | -1.4% | ▼ | -1.1% |
| Bohol | Dried Fish | 160.0 | 146.7 | ▼ | -8.3% | ▲ | 3.1% |
| Dinagat Islands | | 250.0 | 240.0 | ▼ | -4.0% | ▼ | -2.0% |
| Southern Leyte | | 210.0 | | | | ▲ | 7.7% |
| Siargao Island, Surigao del Norte | | | 120.0 | | | ▼ | -30.2% |
| Surigao City, Surigao del Norte | | 216.7 | 200.0 | ▼ | -7.7% | ▼ | -5.3% |
| Overall | | 209.2 | 176.7 | ▼ | -15.5% | ▲ | 3.6% |
| Bohol | Pork Meat | 318.3 | 320.0 | ▲ | 0.5% | ▲ | 37.6% |
| Dinagat Islands | | 380.0 | 380.0 | ◀ | 0.0% | ▲ | 1.1% |
| Southern Leyte | | 356.7 | | | | ▼ | -0.8% |
| Siargao Island, Surigao del Norte | | 320.0 | 360.0 | ▲ | 12.5% | ▼ | -2.9% |
| Surigao City, Surigao del Norte | | 316.7 | 320.0 | ▲ | 1.1% | ▼ | -1.3% |
| Overall | | 338.3 | 345.0 | ▲ | 2.0% | ▲ | 4.4% |
| Bohol | Eggs fresh | 190.0 | 210.0 | ▲ | 10.5% | ▲ | 2.0% |
| Dinagat Islands | | 235.0 | 235.0 | ◀ | 0.0% | ▼ | -0.4% |
| Southern Leyte | | 216.7 | | | | ▼ | -1.0% |
| Siargao Island, Surigao del Norte | | 210.0 | 220.0 | ▲ | 4.8% | ▼ | -6.9% |
| Surigao City, Surigao del Norte | | 203.3 | 210.0 | ▲ | 3.3% | ▼ | -7.1% |
| Overall | | 211.0 | 218.8 | ▲ | 3.7% | ▼ | -2.7% |
| Bohol | Wheat flour | | 50.0 | | | ▲ | 0.5% |
| Dinagat Islands | | | | | | | |
| Southern Leyte | | | | | | | |
| Siargao Island, Surigao del Norte | | | | | | | |
| Surigao City, Surigao del Norte | | 54.0 | 54.3 | ▲ | 0.6% | ▲ | 46.4% |
| Overall | | 54.0 | 52.2 | ▼ | -3.4% | ▲ | 51.4% |
| Bohol | Cooking Oil | 90.0 | 149.3 | ▲ | 65.9% | ▼ | -24.7% |
| Dinagat Islands | | 132.5 | 130.0 | ▼ | -1.9% | ▼ | -2.1% |
| Southern Leyte | | 100.0 | | | | ◀ | 0.0% |

| | | | | | | | |
|-----------------------------------|-------------|-------|-------|---|--------|---|--------|
| Siargao Island, Surigao del Norte | | 200.0 | | | | ▲ | 69.5% |
| Surigao City, Surigao del Norte | | 149.3 | 156.7 | ▲ | 4.9% | ▲ | 28.6% |
| Overall | | 134.4 | 145.3 | ▲ | 8.2% | ▲ | 9.1% |
| Bohol | Brown Sugar | 60.0 | 75.0 | ▲ | 25.0% | ▲ | 15.5% |
| Dinagat Islands | | 77.5 | 77.5 | ◀ | 0.0% | ▲ | 25.0% |
| Southern Leyte | | 74.0 | | | | ▲ | 1.5% |
| Siargao Island, Surigao del Norte | | 66.0 | 70.0 | ▲ | 6.1% | ▼ | -8.6% |
| Surigao City, Surigao del Norte | | 70.0 | 80.0 | ▲ | 14.3% | ▲ | 10.3% |
| Overall | | 69.5 | 75.6 | ▲ | 8.8% | ▲ | 8.7% |
| Bohol | Coffee | 41.0 | 39.9 | ▼ | -2.6% | ▲ | 70.4% |
| Dinagat Islands | | 22.0 | 25.0 | ▲ | 13.6% | ▼ | -2.1% |
| Southern Leyte | | 24.7 | | | | ▲ | 2.8% |
| Siargao Island, Surigao del Norte | | 21.0 | 19.8 | ▼ | -6.0% | | |
| Surigao City, Surigao del Norte | | 40.3 | 40.3 | ◀ | 0.0% | ▲ | 99.2% |
| Overall | | 29.8 | 31.3 | ▲ | 4.9% | ▲ | 30.3% |
| Bohol | Corned Beef | 36.7 | 34.7 | ▼ | -5.5% | ▼ | -0.1% |
| Dinagat Islands | | 40.0 | 40.0 | ◀ | 0.0% | ▲ | 3.1% |
| Southern Leyte | | 36.0 | | | | ▲ | 2.1% |
| Siargao Island, Surigao del Norte | | 28.0 | 42.5 | ▲ | 51.8% | ▼ | -1.7% |
| Surigao City, Surigao del Norte | | 36.7 | 35.3 | ▼ | -3.6% | ▲ | 24.7% |
| Overall | | 35.5 | 38.1 | ▲ | 7.5% | ▲ | 3.0% |
| Bohol | Canned Tuna | 37.0 | 37.3 | ▲ | 0.9% | ▲ | 12.4% |
| Dinagat Islands | | 38.0 | 38.0 | ◀ | 0.0% | ▲ | 4.1% |
| Southern Leyte | | | | | | | |
| Siargao Island, Surigao del Norte | | | 30.3 | | | ▲ | 1.2% |
| Surigao City, Surigao del Norte | | 37.3 | 36.8 | ▼ | -1.3% | ▲ | 41.9% |
| Overall | | 37.4 | 35.6 | ▼ | -4.9% | ▲ | 39.6% |
| Bohol | Mung Beans | 90.0 | 90.0 | ◀ | 0.0% | ▼ | -2.2% |
| Dinagat Islands | | 110.0 | 110.0 | ◀ | 0.0% | ▲ | 6.3% |
| Southern Leyte | | 90.0 | | | | ▼ | -19.3% |
| Siargao Island, Surigao del Norte | | 100.0 | 100.0 | ◀ | 0.0% | ▲ | 4.2% |
| Surigao City, Surigao del Norte | | 90.0 | 90.0 | ◀ | 0.0% | ▼ | -5.3% |
| Overall | | 96.0 | 97.5 | ▲ | 1.6% | ▼ | -2.9% |
| Bohol | Ampalaya | 63.3 | 65.0 | ▲ | 2.6% | ▲ | 12.6% |
| Dinagat Islands | | 100.0 | 100.0 | ◀ | 0.0% | ▼ | -4.8% |
| Southern Leyte | | 80.0 | | | | ▲ | 18.5% |
| Siargao Island, Surigao del Norte | | 130.0 | 100.0 | ▼ | -23.1% | ▲ | 2.7% |
| Surigao City, Surigao del Norte | | 58.3 | 60.0 | ▲ | 2.9% | ▼ | -30.4% |
| Overall | | 86.3 | 81.3 | ▼ | -5.9% | ▲ | 0.0% |
| Bohol | e | 70.0 | 90.0 | ▲ | 28.6% | ▼ | -7.0% |
| Dinagat Islands | | 110.0 | 120.0 | ▲ | 9.1% | ▼ | -5.0% |

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